



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 29, 2008

H.R. 6576 **Reducing Information Control Designations Act**

*As ordered reported by the House Committee on Oversight and Government Reform
on July 23, 2008*

SUMMARY

H.R. 6576 would amend federal law concerning the security classification of government documents. The legislation would require the National Archives and Records Administration (NARA), in consultation with the Director of National Intelligence and other affected federal agencies, to develop regulations that minimize and reduce the government's use of information-control designations on information that is not classified. The bill also would require training for employees and contractors on using classifications and random audits by inspectors general on the proper use of information-control designations.

CBO estimates that implementing H.R. 6576 would have a discretionary cost of \$15 million in 2009 and \$45 million over the 2009-2013 period to implement the new regulations, provide training, and conduct audits that would be required under the bill. Although the legislation could affect agencies not funded through annual appropriations (such as the Tennessee Valley Authority or the U.S. Postal Service), CBO estimates that any net increase in spending by those agencies would not be significant. As a result, enacting the bill would have no significant impact on direct spending or revenues.

H.R. 6576 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 6576 is shown in the following table. The costs of this legislation fall within most budget functions that contain salaries and expenses.

	By Fiscal Year, in Millions of Dollars					2009- 2013
	2009	2010	2011	2012	2013	
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Estimated Authorization Level	15	15	5	5	5	45
Estimated Outlays	15	15	5	5	5	45

BASIS OF ESTIMATE

For this estimate, CBO assumes that the bill will be enacted near the start of fiscal year 2009 and that spending would follow historical patterns for similar programs.

Under current law, agencies are required to develop policies for handling terrorism-related and homeland security information. However, the Government Accountability Office (GAO) has reported that there are no governmentwide policies and procedures for agencies to use to classify sensitive, but unclassified information.

Based on the information provided by GAO, NARA, and selected federal agencies and inspectors general about the current use of information-control designations, CBO estimates that implementing H.R. 6576 would cost \$15 million in 2009 and \$45 million over the 2009-2013 period, assuming appropriation of the necessary amounts. Initial costs would total about \$20 million and would be incurred over the first two years. Ongoing costs would total about \$25 million over the 2009-2013 period, mostly for subsequent training and random audits by inspectors general.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 6576 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

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